UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

PERSONAL AUDIO, LLC	DOCKET NO. 2:13CV13
	APRIL 24, 2014
VS.	
	9:04 A.M.
TOGI ENTERTAINMENT, ET AL	MARSHALL, TEXAS

VOLUME 1 OF 1, PAGES 1 THROUGH 125

REPORTER'S TRANSCRIPT OF CLAIM CONSTRUCTION HEARING

BEFORE THE HONORABLE ROY PAYNE
UNITED STATES MAGISTRATE JUDGE

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(OPEN COURT, ALL PARTIES PRESENT.)

THE COURT: For the record, we're here for the claim construction hearing in *Personal Audio versus Togi Entertainment* which is Case No. 2:13-13 on our docket.

Would counsel state their appearances for the record.

MR. WARD: Good morning, your Honor. John Ward for the plaintiff. At our table is Mr. Brad Liddle, our CEO and general counsel; Mr. Papool Chaudhari; Mr. Merton Thompson; and Jeremy Pitcock who will be doing our presentation, your Honor. We are ready to proceed.

THE COURT: All right. Thank you, Mr. Ward.

MS. AINSWORTH: Good morning, your Honor. Jennifer Ainsworth on behalf of the Defendants CBS Corporation, NBCUniversal Media, FOX Broadcasting Company, and FOX Networks Group; and with me are lead counsel Steve Lieberman --

MR. LIEBERMAN: Good morning, your Honor.

MS. AINSWORTH: -- Sharon Davis --

MS. DAVIS: Good morning, your Honor.

MS. AINSWORTH: -- Brian Rosenbloom --

MR. ROSENBLOOM: Good morning.

MS. DAVIS: -- and from CBS, Mr. Dan Wan.

MR. WAN: Good morning, your Honor.

THE COURT: Good morning. Thank you,

Ms. Ainsworth.

MR. SMITH: And, your Honor, for Defendant Howstuffworks.com, Michael Smith, Larry Phillips, and our lead counsel Mr. Jason Lo who will be presenting today. We are ready to proceed, your Honor.

THE COURT: All right. Good morning. Thank you, Mr. Smith.

MR. ACOSTA: Good morning, your Honor, Matt Acosta for Defendant Lotzi Digital, Inc.; and we are ready to proceed.

THE COURT: Thank you, Mr. Acosta.

MR. MONTGOMERY: Good morning, your Honor. Dru Montgomery, for a partnership consisting of Adam Carolla, Donny Misraje, and Sandy Ganz. We are ready to proceed, your Honor.

THE COURT: Thank you, Mr. Montgomery.

All right. I want to note for the record that earlier this morning we provided to counsel a set of preliminary constructions and I want to make sure everyone understands that the purpose of those constructions is not to predetermine the outcome of this but rather to focus the argument and the presentation on the issues that the parties have with where the court is now. These preliminary constructions represent our initial conclusions based on a review of the briefs and

the record, and we put them out there with the belief that we're willing to be talked out of any of these if the parties have contrary positions. So, I'm not trying to cut off any argument but rather simply to focus it and hope that it will help the court understand your positions better.

So, with that, I'll say that any party that wants to make a general presentation briefly about the overall matters involving the technology, you're welcome to do so. Otherwise, I'd appreciate it if we could present the arguments on a term-by-term basis. And I'll turn it over to the plaintiff first with that in mind.

MR. PITCOCK: Your Honor, we don't think there's any need for a technology tutorial; so, we're happy to defer to discussion of the claim terms.

THE COURT: Okay. Does anyone else want to take up something before we get to the terms?

MR. LIEBERMAN: Your Honor, the defendants are prepared to jump right into the claim terms.

THE COURT: Okay. Thank you. In that case, we'll go ahead and start.

Mr. Pitcock, if you want to address the first term.

MR. PITCOCK: So, I don't know if you want us to go back and forth on each term in the order presented

in the sheet, your Honor. Is that your preference?

THE COURT: I do want to go back and forth on each term; but if you have an order that you think would be the most productive to present the terms, you're welcome to take them on in any order.

MR. PITCOCK: Okay. I'm happy to go in this order, your Honor.

THE COURT: Okay.

MR. PITCOCK: I think it would probably be just as simple to go through it, and that would allow the defense to go back and forth.

We have no problem with your construction of either "episodes" or "media file." And, so, I will turn it over to the other side if they want to address those terms.

THE COURT: Let me ask you one general question, Mr. Pitcock.

MR. PITCOCK: Sure.

THE COURT: I saw in the briefs the note that all of these terms come from claim 31. Are there other claims that are asserted besides claim 31?

MR. PITCOCK: There are, your Honor. There are three dependent claims from claim 31, but claim 31 is the only independent claim.

THE COURT: 32 through 34, then?

MR. PITCOCK: Yes, correct.

THE COURT: Okay. All right. Thank you.

MR. LO: Good morning, your Honor. Jason Lo on behalf of the defendants. Let me begin by saying that with respect to "media file," the defendants take no position -- or have no problems with the proposal suggested by your Honor; and, so, we have no dispute on "media file."

With respect to the claim term "episodes," we don't think that the court's construction is incorrect insofar as what is there. In other words, we don't disagree that an episode is at least a program that is part of a series. I think the only dispute between the parties at this point is whether the word "audio" needs to be added in front of the court's proposed construction. Personal Audio takes the view that it does not need to be. We take the view that it does need to be. That's the only modification I think we are arguing about is whether to add the word "audio" in front of it.

THE COURT: And why would that term -- if "audio" needs to be in it, why would it be in "episodes" as -- you know, we addressed that in the "media file" term, but I'm wondering what it is about "episodes" that you think requires that the court address whether it's audio or not.

MR. LO: Sure. So, let me take it back one step. One of the disputes that have been at issue in terms of "episodes" was whether the phrase "episodes" must be coterminous with the term "media file." And I take it from the court's construction that the court is not taking the view that simply because those two terms are in the same phrase, one representing the other, they must necessarily mean the same thing.

The Federal Circuit has on multiple occasions said that claim terms in the claim limitations in the same claim are presumed to have different meanings. In even just everyday speaking, you know, we may say the phrase "legislator representing a district." That doesn't mean that the word "legislator" and the word "district" are coterminous with each other. They can represent one thing and have a different scope or a different typology. A legislator is a person; a district is an area defined by geographic boundaries. So, to begin with, I -- I don't think there's any dispute now between the parties and/or with the court that those two terms need not mean the same thing.

So, then the court's question is, well, if we're going to look at this from the perspective of whether it is audio only, why does that come into the word "episodes"? And I think that also goes with our

agreement with the court's construction. "Episodes" is where in the claims the patentee defines what type of program is at issue; and that's built into the court's construction that episode is talking about the programming that is at issue in the invention. It doesn't really appear in any -- that concept doesn't really appear in any other claim term other than that it's programming. And when we look at the type of programming that the patent is describing and that the inventor says "Here is the programming that I am claiming to be part of my invention," it is clear that he made clear that the programming at issue was audio programming.

We cited it throughout our brief, and it's really undisputed that these were the statements that were made. It comes up in the Field of the Invention. They say that it "relates to electronic information distribution systems and more particularly to a system for dynamically and interactively selecting and playing particular programs from a program library." So, that's what they're talking about. It's what kind of programs are at issue.

And when they go on to the Summary of the Invention, they say "The present invention takes the form of an audio program player." So, it goes back to the

word "program." It's used synonymously with the word "episode."

And when we get to what they describe as the preferred embodiment -- and that occurs in column 4 in the detailed description portion, starting at line 39, talking about what the patentee calls "the illustrative embodiment" -- the patentee says it "utilizes the Internet to provide communications between a host computer indicated generally at 101 and an audio player device illustrated at 103.

So, throughout the patent when they're defining what type of programming, they are trying to define what type of programming the players are intended to play, they are saying that it is audio programming; and that's why we think that the "audio" limitation goes in with the word "episodes."

We've provided to the court a copy of slides that we prepared for today's hearing, and I will refer the court first to page 6 of those slides.

THE COURT: All right.

MR. LO: In our briefing we cite to, among other cases, the *AstraZeneca* case and the *Retractable Technologies* case. And what we've done in Slide 6 is simply put side by side what the specification in *AstraZeneca* says and what the specification says in the

'504 patent. In *AstraZeneca* the inventors made a statement that "The present invention refers to," and they list six different types of salts. Importantly and relevant here, the claim language doesn't say anything about what kind of salt. It just says a "pure solid state alkaline salt." The Federal Circuit in that case said, you know, "We don't disagree that in ordinary usage 'alkaline salt' is not limited to the six types of things that they listed in the specification." But, yet, the Federal Circuit concluded that when you say that the present invention refers to these six types of salts, that limits your claim even if your claim language is broader.

And here in the '504 patent, you have very similar language, "The present invention takes the form of an audio program player which automatically plays a predetermined schedule of audio program segments"; and you have similarly broad claim language. We don't dispute that if you were looking at this in a vacuum, without looking at the specification, the word "episodes" could have a broader meaning.

THE COURT: Now, you are -- what you're really after is a negative limitation, isn't it? That it's only audio.

MR. LO: That is correct, your Honor.

THE COURT: That it can't be more than that.

MR. LO: That's correct. And that's -- and the -- what your Honor is coining as the negative limitation is exactly what was at issue in *AstraZeneca*, and it's exactly what was at issue in the *Retractable Technologies* case. The question is: When you have claim language or claim terms that in and of themselves in a vacuum are broad, does the specification enlighten what those broad claim terms mean and in some cases does what you say in the specification limit what you can now call your invention as part of your claims? That's precisely the issue that's presented in both *AstraZeneca* and in *Retractable Technologies*.

On the next slide what we have done, your Honor, is again just compared the specification language that was at issue in *Retractable Technologies*. That one had to do with a syringe, and the question was does the syringe have a one-piece body or a multiple-piece body. And again the claim language is absolutely broad -- it just says you've got to have a body -- but the court looked at the summary of the invention which says "Here is what the invention is, it's a tamperproof syringe and the syringe features a one-piece hollow body and on the basis of those statements alone, the Federal Circuit found that your body -- claim limitations in the claims

are limited by what you said in the specification is your invention.

Personal Audio's brief never addresses the Summary of the Invention and what they call the "illustrative embodiment." I started the conversation by talking about the fact that "media file" and "episodes" do not have the same meaning. That was the primary -- and, frankly, the only -- argument advanced by Personal Audio by saying that -- in saying that the phrase "episodes" should not be limited to "audio." They never addressed why the Summary of the Invention is here and the import of having that language in the patent. There are no cases to the contrary that they cite talking about what you do with the Summary of the Invention and the invention is X type of language in the patent.

Just two more things briefly about the cases *AstraZeneca* and about *Retractable Technologies*. First, as I mentioned earlier, your Honor, those cases clearly state that if you have something in the specification that defines what the invention is, that overrides the broad claim language. So, we don't start from the presumption that just because the claim language does not have any particular limitations built in, that somehow the burden is on us to show that there should be a limitation. In both of those cases the claim language

was equally vague and equally broad; and the Federal Circuit said, you know, if you've defined your invention in the beginning of your patent as X, that's what we're going to limit you to.

The other thing that *AstraZeneca* and *Retractable Technologies* both teach is that the specification overrides any argument of claim differentiation. So, in the *AstraZeneca* case, for example, I think there was a broader claim that just says -- the independent claim just says "salt"; and they actually had a dependent claim that says "salt meaning these six types of salt," which is, you know, precisely what the Summary of the Invention said the invention was limited to. So, even though you have both a broad claim and a narrow claim and you normally would have a claim differentiation argument, the Federal Circuit in both the *Retractable Technologies*, I believe in the *Verizon* case, and certainly in the *AstraZeneca* case says that doesn't override it. You start from the specification. That's what *Phillips* teaches us. If the specification says "My invention is X," that's what you're limited to even if you have a broader claim and a narrower claim that defines a smaller subset of the broad claim language.

I'll address one other issue quickly which is it -- the argument that Personal Audio makes in parts of

its brief is that in the specification, not in the Summary of the Invention, not in the part where they define the invention, talks about other types of files. They talk about text files, they talk about advertising, and things like that. We don't dispute that. That's absolutely there. But what we are saying is that the specification is clear that when it is talking about the programming, it's talking about audio programming. And when it's talking about things like text files and things like images and things like advertising, those are all things that perhaps in a dependent claim or something like that may accompany the audio programming but they are not a substitute for the audio programming nor are they what the invention defines to be the programming.

That appears most clearly on Figure 1, which is what we have up on the slide now. We'll zoom in a little bit so that the court can see that.

In Figure 1, which again is described as being the "illustrative embodiment," you can clearly see, your Honor, that what they do is they separate the audio programs, being 131, and other types of data and other types of files that may be stored in other databases, 132 being announcements and 133 being text. So, all of those things are in addition to audio programming that you may choose to send over to the user. But when the patent and

the claims are talking about the programming, they are talking precisely and narrowly about audio programs. And that appears throughout the claim -- I'm sorry -- throughout the specification as well.

In column 6, lines 9 to 11, they say "database 131," which is what we just saw was the audio programming, (reading) may be accompanied by text transcripts in text database 133. So, the specification distinguishes between the audio programming database and the text database and says that one may accompany the other but it makes a -- it draws a very clear distinction between those two things and it says that they are very different.

So, that -- those portions of the specification do not override what they say as part of the Summary of the Invention. In fact, it confirms our view that because they knew that there were other types of programming that were possible -- in other words, you could have text, you could have -- you could have images, and things like that -- and they described that in other aspects of the specification. Yet, when they're talking about what our invention is, they were very precise and very narrow at not covering the other types of data files. That's why the word "episodes" and the word -- and the concept of programming in this patent should be

limited to audio programming.

And I'll stop there unless the court has any other questions.

THE COURT: No. I appreciate that.

MR. LO: Thank you.

THE COURT: Do any of the other defendants want to be heard on that term?

MR. LIEBERMAN: No, your Honor.

THE COURT: All right. In that case, Mr. Pitcock, you may respond.

MR. PITCOCK: I guess just briefly, your Honor. Looking at the same slide that's up here, program segments may likewise consist of audio, text and/or image segments. I mean, there it's clearly drawn, in the part of the spec that they're citing as well as all the parts that we cite, that a program can consist of all different types of data. And, in fact, the episodes are represented by the media files which they don't dispute can contain things other than audio. We're not arguing that you don't have to have audio.

And the difference between these -- our case and *AstraZeneca* and some of the other things is nowhere in the specification does it go on to say, "Oh, and in addition to those six that we concentrated on, you could also do this, that, and the other. You could also use

this alkaline salt." Instead, there was nothing in the specification that would indicate that you could do anything else. Here the specification is replete with references to adding things to the audio data. And that's the main difference between those cases and this one.

THE COURT: All right. Thank you, Mr. Pitcock.

MR. PITCOCK: So, on the third one, which is the "downloading" phrases, your Honor --

THE COURT: Yes.

MR. PITCOCK: -- we essentially don't have anything to address this other than just one sort of nitpicky point because we construed these together and we were trying to narrow the dispute which appeared to be whether the transferred data had to be stored at the local device or not. I just don't want there to be any confusion in the record.

I mean, technically the first phrase talks about "downloading a data file." So, it doesn't have to have any antecedent basis like a "the" would normally imply.

And then the second phrase talks about "downloading said concentration files"; so, "the" would be appropriate.

We just wanted to, you know, for the record note that technically in the first phrase it should be "a" file and then the second phrase should be "the" file.

THE COURT: All right. Thank you, Mr. Pitcock.

MR. LIEBERMAN: Good morning, your Honor. Steve Lieberman.

Unlike the "episodes" term that Mr. Lo addressed, the term "downloading" has and had at the time the patent application was filed a specific meaning, a specific and narrow meaning. "Downloading" at that time was known to be different from "streaming."

If I could ask you to go to Slide 19, Brian, in the book we provided to the court.

It was well known at the time the patent application was filed that there were two very distinct ways of transferring data, and I'd like to use some commonly known technology at least if you have a -- or have had a teenager in the house, that's a commonly known technology to illustrate the point. And on the one hand you've got an iPod where people can download songs to the iPod and the songs are there permanently, at least until your iPod breaks and then you go in crying to the Apple store trying to get your songs back. The songs are there permanently.

So, if, for example, you were on an airplane that was not equipped with Internet service and you had an iPod, you could listen to your songs. They have been downloaded and they're stored permanently, as opposed to media that is streamed. And the example there that is probably best known is Netflix. When people get a movie from Netflix, the movie is streamed to them. It's live. They can watch it. But when they're finished watching it, it's gone. Poof, it's not in their memory; it's not in their device. So, if again you were on this airplane that does not have Internet service and you were trying to watch a streamed movie, you could not do that because the movie -- even if you had watched the movie let's say the day before, if the movie were streamed to your device, it is no longer on the device. So, when you're on the airplane and you say "I'd like to watch this movie again," there's no movie to watch.

We provided, with our claim construction brief, a 1997 article from Jonas which makes clear that the distinction between downloaded media and streamed media was well known; and the definition of those two terms from the Jonas article is on Slide 19.

There's also a discussion in the *Real Networks versus Streambox* case, which was not a patent case, that talked about the difference between streaming and

downloading. And the court there explained in contrast the two, "When an audio or video clip is 'streamed' to a consumer, no trace of the clip is left on the consumer's computer. Streaming is to be contrasted with 'downloading,' a process by which a complete copy of an audio or video clip is delivered to and stored on a consumer's computer."

And I would note that if you're looking for further confirmation as to what this term means or meant at the time, Personal Audio had produced to us in this case -- and we attached as Exhibit 8 to our submission -- Exhibit H to our submission -- a dictionary definition of "download." This was a dictionary definition that they produced which reads, quote, to copy or transfer data or programming into the memory of one's computer from another computer, end quote.

So, the question is should the construction -- the court's construction of "download" make it clear that it does not include streaming. And that is the reason that we proposed the additional language which is not included in the court's tentative claim construction, the language reading, quote, to the requesting client device for nontemporary storage and later use.

The "nontemporary storage" is intended to distinguish downloading from streaming. And the reason

we didn't say in our construction "downloading," open paren, "which doesn't include streaming" is because you can't define claim terms in that way. As your Honor knows, you can't do it in that explicit negative way. So, we added in language about "nontemporary storage" to make clear that downloading does not include streaming.

THE COURT: And "nontemporary" is not negative?

MR. LIEBERMAN: What I -- you're absolutely right, your Honor. We could say "permanent storage." I mean, we would be fine with that, which would eliminate the negative.

So, let's look again as to what the word "downloading" meant to the patentee; and again I want to stay with the claim language. If we go to Slide 21, during the prosecution history -- and I'm going to be talking about the prosecution history, with the court's indulgence, in a few moments -- the patentee repeatedly distinguished during the prosecution of this patent "downloading" from "streaming." And that's because there were several references, including the Clanton reference and the Gabbe reference, that the examiner said were problematic prior art for them; and they attempted to distinguish and successfully distinguished over the prior art by saying "But those references involved streaming.

They did not involve downloading. They did not involve storing." That was the difference.

Now, Personal Audio makes an argument that if you adopted our proposed construction, that would render superfluous the "storage" language in the nonasserted independent claims, claims 1, 8, and 23. It's sort of a claim differentiation argument, but they didn't characterize it that way. But I want to address it both the way they phrased it and in the context of claim differentiation. If your Honor were to look at claim 1 or claim 8 or claim 23, the three nonasserted independent claims, in each case when the word "storing" is used in those claims, it is used specifically to say where the information is stored; that is, it is stored "in said digital memory." So, Slide 22 has the language from claim 1. Each time the word "storing" is used, the phrase "in said digital memory" follows that.

On Slide 23, it's the same thing for claim 13. After the word "storing" is used, the phrase "in said digital memory" occurs.

And then on slide -- and then the same thing is true with respect to claim 23, your Honor.

That is what the -- what claims 1, 8, and 23 are telling you when it uses the word "storage" is it's telling you where this information is stored. That's

important because there are a number of locations that the patent specification identifies where data can be stored. So, for example, on Slide 24 we give two examples from the patent specification where information can be stored. One is in "a removable media cartridge," and the other is in "an optical disc cartridge." But claims 1, 8, and 23 were limited to the storage "in the said digital memory."

So, the argument that saying that downloading requires as part of it storage in nontemporary or, if you wish to eliminate the negative, permanent memory does nothing to render superfluous the "storage" language in the other claims which are not being asserted.

I'd now like to direct -- I don't know if the court has questions about the claim language. I wanted to move into the specification, if that's --

THE COURT: That's fine.

MR. LIEBERMAN: -- convenient for the court.

So, turning to Slide 25, the specification in this case makes very clear that the invention was "providing a subscriber with the ability to load audio programs into an audio player and then play those audio programs upon request at a later time." There is repeated reference to local -- "the local mass storage unit to enable the user to easily move from program

segment to program segment," et cetera. And we have something to play for the court that we learned about yesterday.

On Tuesday of this week, your Honor, on April 22nd, a Canadian broadcasting company broadcast an interview with the first named inventor Mr. Logan. Mr. Logan is not only the first named inventor; he has been involved with Personal Audio throughout this entire process. He's a major -- at least his family trust is a major co-owner. And he described exactly what his invention was. He was asked the question in the interview, "What was the original idea that you came up with?" And we have a 1-minute-and-26-second clip we'd like to play from that interview. Then I'm going to show how what Mr. Logan is describing in 1 minute and 26 seconds is exactly what the specification shows that the Personal Audio invention -- invention was. If I might play that, your Honor.

THE COURT: Is that something that's been disclosed?

MR. LIEBERMAN: We just got it yesterday, your Honor. We don't have a transcript. We can provide the URL to the plaintiff. I had my secretary last night type up a transcript of this minute and 26 seconds. I haven't proofed it yet. I can submit it to both parties -- I can

submit it to the court and the plaintiff tomorrow.

THE COURT: Mr. Pitcock?

MR. PITCOCK: I would object to it both as being very late, not clearly relevant. I don't know -- he's got several patents. I don't know if he's referring to this one or not. I haven't seen the transcript yet. And I would also say this is extrinsic evidence of sort of the highest order, you know, to take a hearsay statement and a radio interview, a nontechnical thing, and try to introduce it as evidence of claim construction.

THE COURT: Well, Mr. Lieberman, I'm going to sustain the objection of the plaintiff to playing it at this time. You can meet and confer with them about it and if you don't get an agreement, you can file a motion to supplement the record and I'll take up the issues on it. But I agree that with them not having any way of knowing the origin of this and the authenticity of it and -- anyway, I don't think it's proper to play it at this time. I understand completely that you just got it and I don't hold it against you that it's being offered at this time, but I will sustain the objection.

MR. LIEBERMAN: Okay. I do note, your Honor, this did appear only on Tuesday. It was only published on Tuesday. We will comply with your Honor's

instructions.

Should the court grant the motion for the supplementation of the record, we would ask the court to look at how Mr. Logan described his own invention and compare it to what we have said the specification says about the invention. They are literally identical.

THE COURT: I am pretty sure that you would not want a general practice to be that we hear from the inventor as to what he intended the scope of his invention to be at *Markman* hearings generally, but I will consider your --

MR. LIEBERMAN: I understand the point, your Honor; and I understand that inventor testimony is less important in determining what the patent claims mean than the specification. So, let me move directly to the specification.

THE COURT: Okay.

MR. LIEBERMAN: If we look at Figure 2 in the specification, Slide 27, Figure 2 makes clear exactly what --

Let's go back one page, Brian -- sorry -- to Slide 26.

The second bullet point on Slide 26 uses the -- quotes the specification using the words "the invention," (reading) in accordance with the invention,

it is desirable to download the equivalent of a full session's programming in addition to the current schedules session programs so that, in the event of a temporary communication link or host failure, programming will nonetheless be available.

There are a multitude of examples on the pages in here -- all these specification cites were in our brief -- making clear that the purported invention was to allow a user to download onto his device materials so that the user when in his car or some other place could then play back the programs that he or she wished to hear. That required downloading as that term was known at the time, which meant inclusion in nontemporary or permanent storage. It did not mean streaming because if the material was steamed, it would be immediately gone after the streaming. It had to be stored. Otherwise, it could not be used in accordance with the invention. So, if you look at Figure 2, Figure 2 sets out the process.

The second box on Figure 2 is downloading programming and catalog updates. The next box down is editing the download; that is, the specification talks about being able to -- let's say the audio programs or the songs that somebody wished to listen to in the order that person wished to listen to them. And then the next box down is playback sessions. You can only play back

something that's been downloaded. You can't play back something that's been streamed because after it's been streamed, it's gone. It's not there.

The specification also teaches that an important part of the invention was that the request from the user could come at any time. Specific examples given in the patent specification were, for example, the one I just gave about when you were in an automobile. So, if you look at column 7, line 58, it talks about (reading) to facilitate the use of the system in an automobile, the files are downloaded from the host. They may be stored on a replaceable media and then played. They had to be stored, or it wasn't consistent with the described purposes of the invention.

Now, there are 97 different places in the specification in which the word "download" is used. That is before we get to the claims. The plaintiff has referred to only two parts of that specification -- and I want to address both of them -- to argue that something in the specification says that what the invention is meant to encompass is something other than downloading when you have nontemporary or permanent storage.

The first -- and this is on Slide 30 -- is at column 5, lines 45 to 53 of the patent. And the language that Personal Audio cites is this language "The player

103 further includes a conventional high speed data modum for receiving (downloading) the program information from the remote server and for transmitting (uploading)." They argue from that that the specification has defined "downloading" to mean "receiving."

If you look closely at the language that immediately follows that sentence in the specification, I believe it's clear that the word "receiving" and on the next line the word "transmitting" simply talks about the direction that data is going; that is, the player receives data from a server in response to the transmission -- I'm sorry -- in response -- and the uploading is the transmission of the program selections. It's talking about the direction. It's not a definition.

Now, we know this is true because the receiving is done by -- "for receiving (downloading) the program information from the remote server 101." Just a few lines down the specification talks about (reading) the host server 101 storing and maintaining a plurality of data files including a program data library. So, this portion of the specification again just talks about the definition of the direction the download, the information, is going from the server to the user.

The other portion of the specification, your Honor, that Personal Audio cited to, and the only other

portion of the specification, was on the bottom of column 14 and the top of column 15; and it has to do with the reference to what happens when a user wishes to download and play at the same time. So, this is column 14, line 63; and it goes over to the next page.

And as the specification says, if we start at the beginning of that paragraph, at line 63, (reading) when a communications pathway such as the Internet is available to connect the player. So, a person is in a hotel lobby and Internet is available. And then No. 2, but he needs to download a needed but locally unavailable segment; that is, he wishes to get something and he's got Internet service. What happens? The downloading and the playing may proceed concurrently; that is, he can download and while the information is being downloaded, he can also play.

Now, this is again something that I understand teenagers are very familiar with. When you buy a movie from iTunes, for example, you download the movie, you pay your $15 for the movie, but particularly if it's a high definition movie, it takes awhile to download. There is an option that is then made available to people "would you like to watch this while it is being downloaded"; and if you click "yes," you can watch it. And that's the purpose of the memory buffer. It's to allow you to watch

it while it's being downloaded.

But the point is these two words are separate, "downloading" and "playing." The downloading and playing both occur at the same time. The buffer helps with the playing; but the downloading, it goes into the permanent storage or the nontemporary storage. So, that's the only other place that Personal Audio cites in the specification in support of their proposed construction.

And by the way, I will mention that they didn't make this argument or cite the relevant portion of the specification in the relevant brief. It was only made in the reply brief. And I know that's something that's disfavored in the Federal Circuit. But their argument is substantively incorrect because the phrase is "downloading and playing."

So, what sort of expert testimony, if any, is there in this case about what the word "downloading" means? In the prosecution history, your Honor, there was distinguishment of certain of this -- the streaming prior art. We put in a declaration from Dr. Adam Porter, and the plaintiff deposed Dr. Porter. In the Porter declaration, Dr. Porter explained that when the reference was made -- he explained what "streaming" meant in the context of the prosecution history and that when you streamed something, it did not go into permanent memory;

that is, it would be transmitted and then it would be gone after it was watched.

Now, when plaintiff deposed Dr. Porter, they asked him a question. They asked him a question about the meaning of "streaming" versus "downloading." Dr. Porter's answer is at page 35 of the slides.

MR. PITCOCK: Objection, your Honor. Object. This testimony that Mr. Lieberman is trying to read into the record now was not contained in Mr. Porter's report; and if you look at his deposition, I specifically asked him on page 88, line 22, "Are you planning on offering any opinions on the meaning of the term 'downloading' at the claim construction hearing?"

"ANSWER: I haven't been asked to do anything like that.

"QUESTION: Have you been asked to give an opinion on the meaning of any of the terms of the patent-in-suit?

"ANSWER: I have not.

"QUESTION: And you haven't reviewed the specification of the patent-in-suit in order to try to determine what you think the meanings of those terms are; is that fair?

"ANSWER: I have not done that. I have not been asked to do that."

So, the testimony that Mr. Lieberman is seeking to elicit was solely drawn because this witness put in what appeared to be a disclaimer argument that the ordinary meaning of "downloading" which wouldn't require, you know, storing in memory was somehow disclaimed during the prosecution history. He never gave a report and he's never given an opinion nor has he looked at any of the relevant materials in order to offer his opinion on the construction of this term and I object to it being offered.

THE COURT: Mr. Pitcock, explain to me how this excerpt is different from the previous slide in terms of what Dr. Porter is saying. I --

MR. PITCOCK: Because what he is trying to introduce, your Honor, is Dr. Porter's throwaway testimony at his deposition on the ordinary meaning of "downloading" because they didn't elicit that in his report. In his report all he says is "I believe there was a disclaimer of the meaning of 'downloading' that occurred in the prosecution history because it was distinguished from 'streaming.'" Now, obviously we don't agree with that argument. You know, what was being distinguished from "streaming" was storing the data on a digital memory. But he never offers an opinion in his report, never gives the basis for an opinion in his

report on what one of ordinary skill in the art would have thought was the ordinary meaning of "downloading" at the time this patent was filed.

THE COURT: All right. I'm going to overrule the objection; but I will state that I am not going to consider this testimony as expanding on the opinions expressed in his report, that I'm going to limit the effect of his testimony to the opinions he expressed in his report. And if this is simply an explanation of those opinions, then it will be considered as such.

MR. LIEBERMAN: We believe it is, your Honor.

THE COURT: All right. Go ahead.

MR. LIEBERMAN: We will note that there was -- although plaintiff had Dr. Porter's declaration for many weeks before their claim construction brief was due, they did not provide any expert testimony on this issue. So, Dr. Porter's testimony is unrebutted by any expert. It's also completely consistent with the file history, the specification, the Jonas article, and the opinion that we cited to your Honor discussing the difference between "streaming" and "downloading."

Turning to the prosecution history on Slide 36. And we're not making a disclaimer argument. The argument that we're making is that the prosecution history buttresses the plain meaning -- the explanation

as to what the plain meaning of the word "downloading" is. That is, we're not saying that plaintiff is giving up some portion of what the ordinary meaning of the word "downloading" is through the prosecution history although, you know, if the court were to say that "downloading" really did have such a broad meaning as the plain and ordinary meaning -- and I don't believe there's any evidence to support that; but if the court were to believe that to be the case, I think this would be a disclaimer. But our view is that all of the evidence is that downloading is different from streaming and it has that component of storage in nontemporary memory. And this is confirmed by seven different instances in the prosecution history where the patentee specifically distinguished its invention, the downloading, from the prior art references on the basis that they involved streaming.

Now, Personal Audio -- not only did Personal Audio do this seven times in three different submissions to the patent office, three times -- and this is on Slide 38 -- they told the examiner that claim 31 was allowable over the prior art showing streaming, quote, for the same reasons advanced with respect to claims 1 and 8. They said the exact same reasons apply with respect to those other claims as apply with respect to

claim 31. They said it three times, and the three statements are on Slide 38 that we provided to your Honor.

The response from Personal Audio was this (reading) is boilerplate language designed to move the prosecution case forward and it should be disregarded. I think your Honor is certainly more familiar than I with the consequences of making statements during patent prosecution; and we would ask the court to hold Personal Audio to what it said about the meaning of "downloading" which is, we believe, exactly what they were doing.

If your Honor has questions, I'd be happy to answer them.

THE COURT: No. I appreciate that. I'd like to hear the response from the plaintiff.

MR. LIEBERMAN: Thank you, your Honor.

THE COURT: Thank you, Mr. Lieberman.

MR. PITCOCK: So, just in response, it should be noted that we introduced the testimony of a third-party prior art witness that was actually subpoenaed by the defendants, who testified that streaming was downloading, that that was the meaning to one of skill in the art at the time and now. It's a term that if you look at this portion of the specification which Mr. Lieberman glosses over and tries to argue that

for some reason we're not allowed to cite different parts of the patent specification in rebuttal to his argument that the specification always teaches, you know, permanent storing of data, this is a place where it talks about a memory buffer, which is temporary storage, and it refers to it as "downloaded information." So, it's specifically using the term "downloaded" to mean "transferred" as the patentee does in other places in the specification which Mr. Lieberman cites.

And I guess just one other point. I mean, he tries to draw a distinction between -- and he does it for the first time here today. I don't think it was in any of his briefing but he tries to distinguish, you know, optical cartridges and other things from digital memory and all of those would be digital memory. I mean, that's not -- that's not a distinction. That doesn't get you around the claims differentiation problem.

Again, this is where the patentee explicitly defines "downloading" as "receiving data." It says nothing about storing it.

And the prosecution history actually doesn't support their argument. Their argument is that we use downloading -- we argue that the term "downloading" meant "storing." But we actually didn't. All seven of those times that are in the prosecution history we are

distinguishing "storage" from "streaming." We are not distinguishing "downloading" from "streaming." And, in fact, there would be no reason to make these arguments about storage which only appears in claim 1 -- there would be no reason to make those arguments about storage if "downloading" meant you had to store it at the local device anyway. There would be no -- this argument would make no sense if "downloading" meant you had to store it anyway. And nowhere is "downloading" distinguished -- so, every single time it is not "downloading" that is being distinguished from -- that's not the term that's being distinguished. It's "stored."

You know, Clanton and these prior art references don't teach storing in the memory; they don't teach storing. Gabbe does not store.

(Reading) Clanton's set box streams media from the server and does not store.

(Reading) Gabbe's table of contents is streamed to the workstation but not stored.

That storage argument is just not present with respect to claim 31. And if you look at the prosecution history, which their -- their expert did not, you'll realize that that's just not a limitation in claim 31. We know where it requires storage of the downloaded information, at a client device, which makes perfect

sense since this is a server side apparatus claim. You know, trying to dictate what would happen at the local device would make no sense.

THE COURT: All right. Thank you, Mr. Pitcock.

MR. LIEBERMAN: Just very briefly, your Honor. The argument regarding the other places referred to in the specification where data can be stored is in our claim construction brief at pages 15 and 16; and we would simply refer your Honor, with respect to the prosecution history, to those three amendments. We think the amendments are very -- the three patent office responses are very clear on their face. The responses are distinguishing the streaming prior art from the claimed invention which involves downloading and downloading requires storage.

And again with respect to the buffer argument, column 14, the language of the specification is "downloading and playing." The buffer is used for the playing. That's what buffers are used for. It's not -- it has nothing to do with the downloading itself. The downloading requires storage in nontemporary or permanent memory.

THE COURT: All right. Thank you.

MR. LIEBERMAN: Thank you, your Honor.

THE COURT: I understand the arguments.

MR. PITCOCK: Subject to any argument by the defendants, we agree with the construction of "URL" and believe that "storage location" has a plain and ordinary meaning and don't have anything to add other than that would appear to be the ordinary meaning of those terms to one of skill in the art as we set forth in the brief and as admitted by the defendants' expert at his deposition.

THE COURT: All right. Thank you, Mr. Pitcock.

MR. LO: Your Honor, Jason Lo on behalf of defendants.

We start this discussion with something that I think we agree on both sides of the podium which is that the term "URL" is short for "universal resource locator." Just three words. And in those three words alone I think a layperson would understand that there's something standardized or universal about this locator, that it's supposed to help you locate something, and that "something" is some kind of a resource. So, everybody agrees what "URL" stands for and that it's got some vague meaning even to laypersons not familiar with the intricacies of the Internet; and, yet, both sides cited construction of this term.

We've not really heard Personal Audio

articulate what it is that they sought to clarify from the term "universal resource locator." From the defendants' perspective, we have a pretty modest proposal. We think that if we're going to construe this term "URL," we ought to try to at least answer two basic questions. No. 1, what is the resource that you are attempting to locate; and, No. 2, what is the address or what is it that is supposed to help you locate that particular resource? Any construction, if we're going to try to expand and explain what the term "URL" means, should try to answer one or both of those questions.

With respect to the first question, in other words, what is the resource that is being sought to locate it, we don't have a problem with the court's construction from the abstract. Obviously "URL" stands for "universal resource locator," and it's supposed to help you locate some kind of resource. But I think we can help define that a little bit more clearly, and I don't think this part is in dispute.

In the claim language in which "URL" is being used, it's not just any resource. I don't dispute that in other context that URL can be used to locate other types of resources; but when we're talking about this patent and these claims, the only types of resource that are being sought to be located are files. They're data

files, they're media files, they're compilation files -- media files, compilation files and media files.

We've listed in Slide 45 -- this is just all taken from claim 31 -- the only instances in which "URL" is used in claim 31, and I think it's consistent with the only usage of the term "URL" in the specification. So, one modification we have proposed for the court's proposed construction is to replace the word "resource" with "file."

THE COURT: Mr. Lo, since the claim language itself in every place where the term "URL" is used specifies what the resource is and it's different each place it's used, why should we attempt to include that in the definition of "URL"?

MR. LO: Because that is precisely the dispute between the parties is -- as I understood Personal Audio's position in the papers -- I know it's not explicit -- I don't think they necessarily agree that a URL only has to refer to a file. That is the disagreement. We believe that the claims make clear that anytime when you're using URL it's used to identify a file. We don't purport to inject into our construction the particular type of file. So, all we're saying is it's got to be a generic file and then we'll leave it to the claim limitations to say whether it's a data file, a

media file, or a compilation file, but it should be a file and --

THE COURT: Well, tell me what your fear is that they will argue a URL applies to if not the language set out in the claim itself.

MR. LO: Sure. And that comes from their very proposed construction itself. Their proposed construction.

Would you go back to just 44, Brian?

Their proposed construction says "resource" and in parentheses "as a document or website." So, one thing that I think they're trying to put in is "website" or "document" and I don't know if that's the same thing as a file or whether that's what they intended, but they're clearly deviating away from the claim language in their proposed construction. And I don't know the reason for it, but I can only suspect that there is a infringement or invalidity rationale for deviating from the claim language.

THE COURT: All right. Well, I'll address that with them in a moment.

MR. LO: Okay. So, that's the first question which is "what kind of resource are you trying to locate"; and we think that the claim language is very clear. It says "file." And we have different types of

files, which I don't dispute what your Honor is saying; and we don't purport to try to define what particular type of file it is.

Then the second question that we think ought to be answered if we're going to try to improve upon "URL" is how are we going to locate that particular resource, what does the address look like? And again we are not trying to be exclusive in our definition, but we are saying -- and I don't think there's any disagreement in the patent specification or in the extrinsic evidence shown by Personal Audio -- that all files have some kind of a file name and a path associated with it. If you're going to store it, whether it's on the court's computer system, it's on my computer, it's on the Amazon or the IBM website, every file in the world that is stored has some of kind of a file name and a path associated with it; and the address should include at least those two basic things that are required to locate a file. It may have other things. You could have, for example, in addition to that, the size of the file, the date of the file, and things like that but we're not trying to be exclusive about how you can locate it, but we're just saying that as a baseline indicator, if we're going to tell the jury and explain to the jury what a URL is, we ought to just tell them here's the type of resource that

are at issue and here are the basic types -- minimal types of information that one needs in order to locate a particular specific file.

THE COURT: Okay. Tell me again what your concern is that the jury might conclude if we don't tell them how URLs work.

MR. LO: Sure. And that comes up also in their construction. So, for example, one thing that they said was you could have a web page as a URL and if we looked at, for example, the court's website, we'll see that, you know, there are numerous pages and within them you may have files that are accessible -- a standing order of some kind, the court's calendar or another -- and if you are simply saying that a website to -- a website location -- for example, just to the ed.texas.uscourts.com website -- that doesn't really tell me where a particular file is. What you need to do is to be more specific.

So, what we are trying to do is drill down so that we prevent an instance where what they are claiming is something that is very top level, very vague and saying that, well, somewhere if you then navigate through those pages, you'll be able to find a particular file. That's not what the claims are saying. That's not what URL is meant to be. A URL is supposed to be a specific

address for a specific, in this instance, file; and, so, you have to tell us where we can find that specific file.

THE COURT: All right. I understand your argument.

MR. LO: Thank you.

MR. PITCOCK: So, just to address this, I mean, as specifically as I can, a URL can be an address for a file without specifying within the language of the URL the file name or the path name. This was known to their expert. He admitted it at his deposition. It's in their -- this is an excerpt from one of the prior art books that they have provided to us; and it specifically says, as is well known, that "Sometimes the URL won't have a filename at the end" and "That's not necessarily a mistake" because if you're going to a document on a website, you can use a URL without specifying the file name. There's still a file. It's still an html -- for example, the court's website, it's some markup language text document that's being copied and transferred to the local server -- or the local computer from a server but it is still copying a file and that URL specifies the file that's going to be sent without using a file or path name.

THE COURT: Okay. And what about the issue of whether it is, under these claim terms, limited to items

other than files?

MR. PITCOCK: Well, I think it's pretty clear from the -- I mean, "URL" doesn't mean "file" or you wouldn't have to specify in the claim that it was to a file. I don't understand why there would be any confusion about the URL or what it has to point to just because it refers to a file.

THE COURT: Well --

MR. PITCOCK: I mean, what they seem to be incorporating is this notion that if you've got a URL for a file, it has to have a file name or path name; but it doesn't. You can have a URL that doesn't specify a file name or a path name.

THE COURT: In this claim, claim 31, are there places where you believe "URL" is used not referring to a file but to something else?

MR. PITCOCK: Well, I don't think the term in general refers to a file; but every time that the claim -- I would admit that every time claim 31 talks about a URL, I believe it's in reference to some kind of file.

THE COURT: Okay. So, it's -- you don't have any intention of arguing that as used in claim 31 it is -- that the resource that's at issue is something other than a file.

MR. PITCOCK: I would agree with that, your Honor.

THE COURT: Okay. All right. Let me just hear back from Mr. Lo on this question of where in the record we have something that would require a path name for a specific file with each URL.

MR. LO: Sure, your Honor. And preliminarily I think I can answer your Honor's question with reference to this slide that is up on the page right now. And this is precisely the issue I was concerned about in terms of not saying that you have to have a file or path name in order to identify the location of a specific document. In this statement it says (reading) some URLs, when you're not trying to locate a particular file or document, may not have a file name at the end. And in this case it just says http://ziff.com. And the next sentence makes that very clear. "This specifies the host, but no directory or document." In other words, it's not telling you where a directory or document is located. It's simply telling you that that is the place where it is hosted. And, so, that is exactly why we think it's important to make clear, if we're going to improve upon the ordinary meaning of "URL," to say what kind of file it is and to give some kind of indicia in terms of where it can be located.

Now, in terms of your Honor's question about where in the record we can have some indication that there has to be a path or file name, I think the only place that "URL" comes up in the specification is column 18, line 55; and I think Mr. Acosta will talk a little bit more about this a little bit later as well.

But basically what they are defining in the specification is that the URL field "specifies the location of the file containing the program segment in the file storage facility indicated at 304" and then it goes on in parentheses to say (reading) for example, it's located on an FTP server 125 in Figure 1 but other storage areas that may be accessible location on the Internet. So, with the example of the FTP server and with the specific reference of specifying the location of the file, we don't think that there's any dispute that every file location can be described by at least the file name and the path location.

Again, as I said earlier, your Honor, it is not our intention to say that if you go beyond that and have additional description, that that somehow takes you outside the realm of URL. All we are trying to do is define the minimum requirements necessary to locate the file.

THE COURT: Doesn't claim 31 itself tell you

what the URL has to identify?

MR. LO: It does, and it doesn't. It says that you need to identify a specific file for download, but I think what is in dispute here is what is an address and what constitutes an address in the -- or locator, to use the URL terminology. And that's what the parties are trying to improve upon in terms of the vague language of just saying "universal resource locator." In other words, what does one need to locate a particular file on the Internet for, as claim 31 says, downloading a particular file.

THE COURT: All right.

MR. LO: Thank you, your Honor.

THE COURT: Thank you, Mr. Lo.

MR. PITCOCK: You may have heard enough on -- I'm sorry, your Honor.

THE COURT: Go ahead.

MR. PITCOCK: You may have heard enough on "URL," but I just wanted to point out one thing about this part of the specification. Here, although it gives an example of a preferred embodiment using a field to specify the location, it goes on to say that you can store it on web server -- so, that would be a file on a web server, presumably including a website -- or at any other accessible location on the Internet. And

they've -- there's nothing that indicates that you have to have a file name or a path name for a URL for a file at any accessible location on the Internet. It's just not true. In fact, documents -- you know, text documents -- when you go to a website in your browser, a text document, a file, you're specifying what file is being sent to your browser to be rendered on your computer. And all of this to some degree is a little irrelevant anyway because the only question we're here to answer is what does "URL" mean to one of ordinary skill in the art, you know, in the context of this patent; and there's nothing that indicates that it would have to have a file or a path name.

THE COURT: All right. Thank you, Mr. Pitcock.

Do you want to address "storage location"?

MR. PITCOCK: Yes, your Honor.

Well -- I apologize. I'll just leave this up and briefly note that, you know, again this is nothing more than an attempt to read a preferred embodiment into broader claim language. There's a preferred embodiment that talks about having program segments in a storage facility but then this same part of the specification, which was the only part that I believe they cite to, goes on to say you can store it anywhere, presumably not at a

storage facility, and that the ordinary meaning of the term would mean any place where, you know, you could locate data.

THE COURT: All right.

MR. ACOSTA: Good morning, your Honor, Matt Acosta for defendants.

First of all, I'd like to spend a little bit, if you will, defining the dispute here. I think it's important and I think while this dispute is related to this dispute you just heard concerning "URL," I think there's a specific distinction but at the same time I think because "URL" and "storage location" appear together in the same claim limitations in claim 31, I think looking at the disputes together and also what might be argued later to a jury will actually give the court some indication of why these claims need to be construed, and specifically "storage location," other than just the plain and ordinary meaning.

So, I -- first of all, I'd like to point out this -- plaintiff's slide is up here -- we take dispute with the interpretation just generally of this portion of the specification and really I'll explain in a second that it's the only part of the specification that really gives any color to both "URL" and the idea of a "storage location" and I really don't think that there's a dispute

of that -- that this is the portion of the specification we're looking at between the plaintiff and defendants. Both of our briefing point to this particular portion.

But if you'll notice, it says, "The Program_Segment record's URL field specifies the location of the file containing the program segment in the file storage facility indicated at 304 in Figure 4." And I will show that to the court in a second. But then in parentheses it doesn't say "other than the storage facility" -- there could be other things other than a storage facility where the URL points to. It doesn't say that at all. It says, (reading) for example -- so, we're talking about a storage facility -- (reading) for example, that storage facility could include an FTP server, it could include a web server, or -- and I'd like to direct the court -- any other accessible location on the Internet. It must be accessible. And I think those words were skipped over and also I think the idea that these are alternatives to a storage facility rather than examples of a storage facility and we take issue with that interpretation of that language. So, with that, we'll move to our slides; and I'd like to make it clear for the court.

I think we're on 51.

MR. LO: That was ours.

MR. ACOSTA: That was ours. Okay.

We'd first like to make clear that the disputes here -- and defendants are not arguing and have never argued that "storage location" needs to be a physical location, it needs to be a particular storage facility, such as it must be an FTP server, it must be a file server. We're not arguing that. We think that the language that you just saw in the claim is clear that it could be an FTP server, it could be a file server, it could be any other accessible location on the Internet. So, that's not what we're arguing.

What we're primarily arguing is that because of its location in the claims and because of the way that the specification reads -- and that language that you saw in the specification reads, you have to define for the jury that what we're talking about is a location in -- and "in" is important -- a storage facility, not just the storage facility itself. Because, for instance, "storage location" taken alone -- if we were to bring more and more boxes into this courtroom, you could interpret this courtroom as being a storage facility and obviously that's an extreme example, but you take that to the way the modern Internet works and what we'll be arguing in this case later on -- and I have an example later on to show why that is relevant and what the possibilities

would be.

Let's go on to the next slide here.

So, the term "storage facility" only occurs in three places in claim 31 in the entire patent.

THE COURT: The term "storage location"?

MR. ACOSTA: Excuse me. "Storage location" only occurs in three locations in the entire patent, and these are the three locations. The first one being "stored at a storage location specified by a unique episode URL," the second being "storage servers at a storage location identified by a predetermined URL," and the third being "URLs specifying the storage locations." So, as the court can see, URLs and storage locations are interrelated in the patent. But I'd also like to point out that a storage location has to do a couple of things based on just this claim language. It must store media files and compilation files, and it also must be identifiable by URL.

Moving on, we see that language provides a little color and is the only place in the specification that really talks about URLs pointing to the place where files are stored and we see that instead of the word -- instead of the phrase "storage location," the patentee used the word "file storage facility" and specifically that the URL points to a location "in the file storage

facility indicated at 304."

So, looking at Figure 4 at 304, you see an arrow pointing to a box; and in that box is examples. Once again, our interpretation of that sentence, examples are FTP servers, web server, or accessible locations on the Internet. You see in the box in Figure 4 it says "FTP," et cetera, and then you go to Figure 1 and it has more boxes indicating "FTP server" and web server as the identifiable examples elsewhere in the patent that could constitute a storage facility.

Now, this might seem academic; but it's actually fairly important because if we continue with plain and ordinary meaning as the definition of "storage location," that provides license to essentially take the limitation out of the claims entirely. Now, this really -- for the first and third examples where "storage location" appears in claim 31, this might not seem like it's a huge deal specifically because you say (reading) each one of said media files specified by a unique episode URL and in the third example it would read URLs specifying one or more corresponding media files. So, you still have URLs pointing to something.

So, why do we need to provide color for "storage locations"? This isn't about -- this dispute isn't about preferred embodiments; it's not about

specific physical facilities or facilities on the Internet. We're talking about URLs that need to point to a location in something. And what the specification defines that "in something" to be is in a storage facility.

So, let's move to the example. Here's why we need a definition of "storage location." You go to www.uspto.gov. That is a URL that points to a set of servers that hosts all of the facilities necessary to serve up a web page for the domain. So, you go -- physically you have a bunch of servers, they receive a request, they build a web page, and they send it to you over the Internet.

Now, if we pretend that also on that domain is a folder called "compilationfiles" and then a specific document called "updatedversion.htm" and the reason -- and this is entirely fabricated, but the reason I came up with that is -- with that particular URL is because what we're talking about in the second example in claim 31 is storing an updated version of a compilation file in one or more data storage servers at a storage location identified by a predetermined URL.

So, if we take defendants' construction to uspto.gov/compilationfiles/updatedversion, you'll see it points to an html file called "updated version" within a

folder called "compilation files" on servers hosting www.uspto.gov. This is a location in a storage facility and the meaning of this particular part of claim 31 is bolstered by defendants' construction and it is consistent with what the specification is talking about.

Now, if we continue with plain and ordinary meaning, then "storage location" can be defined as any particular level of the Internet. It doesn't have to be in a storage facility. It can be the storage -- for instance, the storage facility itself. And this might be abstract; but the example here is pretend that the URL uspto.gov/compilationfiles/updatedversion.htm simply doesn't exist. You cannot access that on the Internet. However, updatedversion.htm is stored somewhere on those servers. There's no way to get to it. It's just stored somewhere. You can't access it. If you're a person looking on the Internet, there's no link to it, there's no URL to it.

However, if you knew that fact, if you knew that it was stored on those servers, even though you couldn't get to it, you could argue, based on plain and ordinary meaning, that you're storing an updated version of a compilation file, because it's stored on the servers, on one or more data storage servers, because once again it's stored on the servers, and it's

identified by a predetermined URL. Well, you ask the question: There is no URL. You can't get to it. What is the storage location? Well, under plain and ordinary meaning you could argue that it's just generally uspto.gov even though there's no way to get to that file.

Now, this is just one of several examples -- and this is probably the most basic example -- why this particular definition matters. There are other ways that the 2014 Internet works that would call to question this particular term. And the reason we want it defined is so that it stays in line with both the reading in the specification, what the invention claims, and also what the claim language seems to indicate.

And I'll stop there if the court has any questions.

THE COURT: Basically as I'm following your argument, you're saying that because there is a place in the specification where it refers to this storage location as being in a storage facility, that that is the definition that we have to give to "storage location."

MR. ACOSTA: Yes and no, your Honor. I'm not saying that "storage location" means "storage facility" and that the terms are interchangeable. I believe that "storage location" specifies that it needs to be a location in a storage facility.

THE COURT: And there's -- the only place in the specification where that's mentioned is the place where you -- that you put up on the screen before.

MR. ACOSTA: Yes, your Honor. That's the only place that talks about URLs pointing to a location with files in them, which is what I pointed the court earlier, the essentially work that "storage location" needs to do in the claims and that's why it's there. So -- and I don't think there's any dispute between plaintiffs and defendants that that is the relevant part of the specification. It's in both of our briefs and both of -- and both plaintiff and defendants argue that portion of the specification to make their respective points.

THE COURT: All right. I guess I am really having trouble following how it's going to help the jury understand "storage location" to specify that it's a location in a storage facility. I'm also having trouble seeing how the -- this -- use of this term in the preferred embodiment should require the construction that you're putting forth, but I --

MR. ACOSTA: And if I may clarify just a little bit more, the reason it should is because there is a level of abstraction to the words "storage location" because they are so generic. And in our brief we gave an extreme example I believe, and I mentioned it earlier.

But a storage location could be essentially anything and because a storage location could be essentially anything, it is not translatable directly in its plain and ordinary meaning to what these claims are talking about and it can be abstracted to any level of abstraction regardless of whether it is in the specification, is part of the invention, or it's what's contemplated in the claims.

THE COURT: But the claim language itself says where this storage location is to be, doesn't it? I mean, it -- every time "storage location" is mentioned, it goes on to describe the storage location that's at issue, specified by a URL or identified in some other way, doesn't it?

MR. ACOSTA: And that's exactly why I had this particular example, because in here -- in this example, in this claim language up at the top of this slide, it says what this claim requires is an updated version of a compilation file and in storage servers, in storage servers -- identified by a predetermined URL. So, if you get rid of that claim language, then the storage servers can be identified by any URL. As long as they identify the servers generally -- once again a level of abstraction. So, the file is in those servers over there somewhere. We don't know exactly where it is.

THE COURT: How does adding "in a storage

facility" change that?

MR. ACOSTA: Because then you have "one or more data storage servers in a storage facility identified by a predetermined URL." So, the storage facility that the compilation file is in must be determined by a predetermined -- must be specified by a predetermined URL. And once again, the URL is modifying "storage location"; and we are simply clarifying that the URL -- that the modification means you need to point somewhere in a storage facility, not just generally at the storage facility. Your Honor, it's like saying "Where are those particular cups in the warehouse" and your answer is "They're in the warehouse" instead of "Oh, they're on this particular shelf."

THE COURT: Okay.

MR. ACOSTA: And that's what we're afraid is going to happen.

THE COURT: I just don't understand how adding "in a storage facility" gets you to the shelf.

MR. ACOSTA: Because in -- with that construction, it makes particularly clear when you plug it into the claim language that the URL is pointing in -- it must point in a storage facility and not, at the greatest level of abstraction, any storage location.

THE COURT: Okay.

MR. ACOSTA: Thank you.

THE COURT: Thank you, Mr. Acosta.

Mr. Pitcock, if you want to respond. We're going to take a short recess at the end of this term before we move on with the rest.

MR. PITCOCK: I guess my only comment to all this is that almost none of this -- even the argument -- is contained in their briefing; so, I'm kind of responding to it for the first time now. But there's -- he doesn't even define what a "facility" is. I don't know how adding that to the construction of the term "storage location," which would seem to have an ordinary meaning to one of skill in the art, you know, even helps them given the statements that he's made about the breadth of the term "facility." So, I guess that's my only comment.

THE COURT: Okay. All right. We'll take a ten-minute recess at this time. Thank you.

(Recess, 10:38 a.m. to 10:55 a.m.)

THE COURT: Let's see. I believe, Mr. Pitcock, the next term is "compilation file."

MR. PITCOCK: Yes, your Honor; and I neglected to do something earlier which I apologize for. We prepared a binder I'm sure pretty similar to the defendants' binder which has copies of the briefing, the

deposition of Dr. Porter, et cetera; and I'd like to offer it at this time so that the court has copies of it.

THE COURT: All right. As long as you make it available to the defendants as well.

MS. DAVIS: We have a copy, your Honor.

THE COURT: Okay.

MR. PITCOCK: Do you mind if Mr. Chaudhari approaches?

THE COURT: All right.

MR. PITCOCK: I'd just note earlier I read from the Porter deposition transcript; and that is contained at Tab 9 of the second binder I handed up, your Honor, just for reference.

THE COURT: All right. Thank you.

MR. PITCOCK: So, I think it makes sense to address actually the next two terms, "compilation file" as well as the phrase in which that term is used in the claim. And that's part of our argument is that the claim requires -- it's an apparatus claim, and part of the apparatus is a processor which performs certain functions. And there's a listing here; and one of the things it does is "from time to time, as new episodes represented in said series of episodes become available, storing an updated version of a compilation file" -- and you've said this has a plain and ordinary meaning, and

from that I infer that you do not believe that the compilation file needs to be assembled -- or the updated version of "compilation file" needs to be assembled by the processor. And, you know, our argument is relatively straightforward.

"Compilation file" is not a term that has an ordinary meaning. It's not a term like "URL" or "storage location" that one of skill in the art would know what it meant without looking to the patent to see how it was described. And the Federal Circuit has held, in cases we cited in our brief, that when it comes to claim terms that don't have an ordinary meaning, it is proper to look to the specification to try to determine what it is that these terms mean. And if you look at the specification, it is very clear that the server which would contain the processor is compiling the files for downloading. So, the compilation file is a file that is compiled or assembled by a processor.

And if you look at the joint claim construction statement, which is also at Tab 3, there is a definition of "compilation" as "the action or process of producing something, especially a list, book, or report, by assembling information collected from other sources." And we would say that, you know, again in the specification it talks about the compilation being

written to the download directory by a processing mechanism and that with reference to the specification as well as the normal meaning of "compilation," the claim is specifying that it is the processor that is performing the assembly of this file, that it's a compilation file because it is being assembled by the processor.

And the final point is -- you know, this was obviously critical to the allowance of the invention. The examiner specifically doesn't, you know, cite to where the data is stored at the local device or anything of that nature in his reasons for allowance but, rather, that it doesn't suggest updating and downloading a current version of a compilation file and it contains all the information that's in the claim, but the very nature of a compilation file is it is a file that is being assembled by the processor, as described in the patent specification.

THE COURT: Now, Mr. Pitcock, we -- I try and take a consistent approach to claim construction, and I take seriously the Federal Circuit's command to start first and focus on the claim language. I try to do that whether it's the plaintiff seeking to add limitations to it or the defendant, and I -- it seems to me here that what you're proposing is for us to add something that the language didn't but could have added to the claim. And

I'm -- I am I guess looking for some way to distinguish this from every other request to read into the claim language whatever might appear elsewhere in the specification.

MR. PITCOCK: Well, I think the way in which it's done -- so, for example, all of the parties agree that media files have to include audio data because of the way the specification describes the invention. And, you know, that would be even overcoming the ordinary meaning of that term which might be broader.

If you take that position -- so, there's a presumption, sometimes called a "heavy presumption," that terms that have an ordinary meaning, like "URL" or "storage location" -- because a patent is a technical document written for a technical audience, you would expect there to be a presumption that the ordinary meaning of the term would apply in the claims. But when you come to a term like "compilation file" which has no ordinary meaning -- I mean, it -- you know, when I asked Dr. Porter --

THE COURT: How does "compilation" have less of an ordinary meaning than "storage location"?

MR. PITCOCK: Well, if I say to one of skill in the art, "I am going to store this at a storage location," one of ordinary skill in the art knows what

that means. They know what it means to some degree before you look at the specification. And they wouldn't necessarily think it had to be in whatever you're calling a "facility," which is some undefined term that they're introducing from the specification. One of ordinary skill in the art wouldn't have -- and they've introduced no evidence that one of ordinary skill in the art would think, oh, well, a compilation file would -- you know, it'd be known in advance what that means to a person just reading the patent who looked at the claims and didn't read the specification.

THE COURT: I would agree that I think that "compilation" is generic, and we've I think added in the -- what we think is the patent specific meaning of it, but what you're asking us to add in is the way in which it's compiled.

MR. PITCOCK: I mean, I would disagree. I would argue that it is a compilation file because it is compiled, because it is assembled by the processor which is what's called for in the claim.

THE COURT: Okay. Well, I do -- I understand what you're asking. So, I appreciate that.

MS. DAVIS: Sharon Davis for the defendants, your Honor.

THE COURT: All right.

MS. DAVIS: Let me start, your Honor, by addressing one of the comments that Mr. Pitcock just made with respect to plaintiff's Slide 16 where he cited to what he said was a definition of "compilation file" as a "file that is compiled (or assembled) by a processor." That's the third bullet point on his slide. And he cited to the joint claim construction statement, and he said there was a definition in the joint claim construction statement that supported this position of what a compilation file is.

Your Honor, this was not something that was cited in any of the briefing; but if you look at the tab in plaintiff's binder where he has the joint claim construction statement and you turn page 6, the definition of "compilation," there's two things I want to point out to you about that, your Honor. The first one is that this is not something that was agreed to. Actually it's plaintiff's citation of their proposed construction in support for their claim construction. So, when he says it's in the joint claim construction statement, he's just pointing to what plaintiff included in their joint claim construction statement although he didn't cite to this in any of the briefing that they did on claim construction so far.

But more importantly, if you look at the

definition that they're citing to, they're citing to the Oxford dictionary's definition of the word "compilation." And all that that definition says, your Honor -- I'm not going to read the whole thing -- but it says that "compilation" is (reading) an action or process of producing something like a list by assembling information collected from other sources, which I think is what we all understand as the ordinary meaning of compiling something. There's nothing in that definition that they're citing to from the joint claim construction statement that says anything about a processor or being compiled by a processor or being assembled by a processor.

But turning back to the substance of the main argument, your Honor, if we could look at Slide 65 and just look at the claim language for a moment. And I know your Honor has focused on this point in the discussion. But the claim language here specifically assigns two tasks to the processor in claim 31. The "one or more processor" are "for"; and there are two relevant tasks that are assigned here, "storing one or more media files" and then there's some information relating to the storage of those media files and then "from time to time, as new episodes become available, storing an updated version of a compilation file."

The claim language is quite clear that what the processor is to do is to store an updated version of a compilation file. It doesn't say anything and is completely agnostic as to how that updated version of a compilation file is created.

As your Honor pointed out in addressing it with Mr. Pitcock, the claim could have put in language about how that compilation file was created; but they did not do so. They put in a broader claim here that covers a processor for storing an updated compilation file regardless of how that compilation file is created, and it would be reading in an additional limitation to the claim to adopt plaintiff's construction.

If we turn to the specification, the next slide.

We can go forward one more -- well, let me actually point out this point.

You know, plaintiffs are really kind of trying to have it both ways here in terms of reading things into the claim; and they even make the point in their reply brief that the claim itself "specifically sets out the required elements of the compilation file." And we agree it does. It has a pretty lengthy description of what needs to be in the compilation file, and it is plaintiffs who are trying to add yet another element to what it

takes to be a compilation file by adding the concept that it has to be a file that is assembled by a processor, which is simply completely missing from the claim language.

If we turn to Slide 68 with respect to the specification -- and we addressed this, your Honor, in our opposition brief -- even when plaintiffs turn to the specification, they have a really hard time even finding language that supports the idea that the compilation file has to be assembled by a processor because what they quote to your Honor in their opening brief is a very small segment of what's included in these passages because what the passages -- and they only found two passages in the 52 columns of the specification that they contend would support reading in this limitation and what they did was to kind of clip out the part of the sentence that talks about compiling a file, but what they left out was the fact that these are clearly in the context of these specific embodiments where actually the embodiment was requiring different elements that are not encompassed by claim 31 at all. For example, the inclusion of additional types of programs and in particular the requirement that the user supply information in order to create the compilation file, which is not something that's encompassed by claim 31 at all.

Now, in their briefing -- although Mr. Pitcock didn't mention it, in their briefing -- in their briefing, Personal Audio points to the claim 3 and suggests that the fact that there is reference to the processor being involved in the creation of the compilation file in claim 3 supports reading in the limitation they propose. It's actually quite the opposite, your Honor. What claim 3 and claim 1 show is that there were circumstances where the patentee chose to claim a system that had the processor doing some of the steps of updating, and they very clearly claimed that in claim 1 and claim 3. It was specifically not included in claim 31 which again only requires that the processor store the updated compilation file and doesn't include any steps that relate to the assembly or compilation of the computer file.

Finally, I just want to address one of the things that Mr. Pitcock argued because he made reference again to the reasons for allowance and suggested that that somehow supported reading in this limitation; and I just wanted to point out that if you actually read the entire segment of the reasons for allowance -- the first paragraph is what Mr. Pitcock quoted from; but if you look at the second paragraph where the examiner was explaining a little bit about the reasons for allowance,

the examiner says that the closest prior art discloses a method for updating, for distributing updates, and then says Reisman does not disclose the objects being a compilation file representing episodes with corresponding URLs of media files of said episodes. So, what that's saying, to the extent the examiner was expressing any opinion here on what was novel over the prior art, the examiner was suggesting that it was the specifics of having compilation files representing episodes with corresponding URLs of those episodes that was the novelty. It doesn't say anything about it being novel to update using the processor.

If your Honor has any questions, I'd be happy to address them. Otherwise, I'll rest on that. And that's for both of those two claim terms.

THE COURT: All right. Thank you, Ms. Davis.

MR. PITCOCK: Your Honor, if I might briefly just address one thing.

THE COURT: All right.

MR. PITCOCK: If you look at their Slide 65 -- it really doesn't matter; it's just a snippet of this language. You know, there's really no reason to call it a "compilation file" if you're not trying to point back to the part of the specification which describes, you know, the compiling. There's no reason -- you could just

call it a "file." And yes, we do cite to just the portions of the spec that talk about a compilation file because that's obviously the part of the specification that this claim is referring back to. "Compilation file" wouldn't be a term you would use because it had some ordinary meaning to one of skill in the art. You would be using it because you want to refer to the compilation file in the specification.

THE COURT: All right. Thank you.

MS. DAVIS: Your Honor, I just want to address real quickly what Mr. Pitcock just said, which is the compilation part of this file is not how it's compiled in the sense of a computer compiling things. It's a compilation file because, as it indicates here, it's a list of the currently available episodes. It's compiling what content is available and putting that in a file which you then have to select from among the available files. So, it's using compilation in the ordinary meaning -- not in the computer context but in the ordinary meaning of what it means to compile a list of episodes.

THE COURT: Okay. Mr. Pitcock, the next term, do you wish to address it?

MR. PITCOCK: Your Honor, I'll actually -- I think it makes sense to address the last two phrases

together. They're both part of the end of claim 31. And looking at the observation underneath the plain and ordinary meaning, you observe "that the language of the claim suggests the same interface must perform a, b, and c, but other interfaces may also perform one or more of those functions as well." And I would just -- you know, I agree obviously with the second part of the phrase; but the notion that the same interface has to perform all three functions I think is actually put to the lie by the fact that the same claim earlier specifically talks about one or more interfaces for performing, you know, these functions that are then being listed.

So, I would respectfully suggest that the claim language which talks about employing one of them wouldn't mean that you had to use the same one to perform all of the same functions that are part of this phrase which specifically talks about one or more interfaces for performing those functions and that the claim language of 31 makes it clear that if you're going to read, you know, "one" as a single limitation, that it makes much more sense to say one of the interfaces has to perform a, one interface has to perform b, and that another different interface may perform c.

THE COURT: And tell me why. And the reason I put the observation in this preliminary construction is

because I believe that the parties were differing on this point and I wanted to make sure that it gets addressed here. So, tell me what your support is for your position that it should be construed to mean simply any one of the interfaces has to perform each of the functions but no single interface has to perform all three.

MR. PITCOCK: I think -- so, my primary argument is the claim language itself. Unfortunately, the exact term "communication interface" does not appear to be used in the specification. So, looking at the claim language itself, it says specifically "one or more communication interfaces" for performing certain functions. And then it goes on, in the disputed language, to say "employing one of them to"; and then it breaks out these three different parts. And I would suggest it is actually suggesting that one interface could perform a, one interface could perform b of the potential for having more interfaces, which is directly referenced in the earlier part of the claim, and yet another interface could perform c. They could all be the same one, but they don't have to be.

And that's consistent, your Honor, with my understanding of the *IGTv/Bally* case which is, you know, a case where you have a limitation to one and the defendants, just as they are here, are trying to say,

well, no, the fact that there's one interface claim here means that all these things have to be done by one interface all the time. And here I think it's very clear from the language of the claim, which specifically contemplates having more than one communication interface for performing these functions and then breaks them out into three different things, that what it's really saying is yes, one does this, one does b, one does c but it doesn't have to be the same one.

THE COURT: If you think that's clear, then I --

MR. PITCOCK: No, it -- I'm just saying it's the only way to reconcile -- why would you claim specifically one or more communication interfaces and then at the end say you had to use one of them for performing all of the same -- you know, for performing the same functions that you had more than one for earlier in the claim? And I guess that's the logical point.

I admit this is not going to go into any journals as an example of claims drafting that should be emulated; but in terms of looking at the claim as a whole and trying to interpret this phrase in the context of the earlier part of the claim which specifically contemplates having more than one communication interface for performing these functions, it seems that the better read

is that one has to perform a, one has to perform b, one has to perform c but they don't have to be the same one.

THE COURT: And I guess what I'm after is whether you have anything you can point to in the specification or elsewhere that sheds light on this or whether you're just trying to do the same thing I'm doing of giving the most logical meaning to this language.

MR. PITCOCK: So, the thing that I would note is yes, although it's not direct. As I said before, "communication interface" isn't directly used in the specification; but the claim also requires -- I'm sorry, your Honor.

So, the claim specifically talks about having media files and data storage servers; and the question is, depending on your construction of "communication interface" -- whether or not you believe, you know, it specifically contemplates having those stored anywhere on the Internet, it's at least conceivable that you would be using a different communication interface to get those files than you might be otherwise. And, so, that's why it claims more than one interface for performing the functions and that's why that language at the end of the claim is better read as saying one of the interfaces has to perform the specific broken-out functions that are listed there, but it doesn't have to be the same one that

performs all three.

THE COURT: Well, why would it say -- bother to say "one of said one or more communication interfaces" at all? Why wouldn't it just then say "employing said communication interfaces to" -- what's the -- in your mind, what's the purpose of saying "one of said one or more"?

MR. PITCOCK: I think it's that the -- I believe the proper interpretation is that one interface would perform each of the functions but it wouldn't have to be the same interface.

THE COURT: Well, then why call out -- why add that term "one of said one or more"? It's obvious that some communication interface would be performing it. So, why specify that it has to be "one of said one or more"?

MR. PITCOCK: Well, I think it's that -- I honestly believe that it's probably because each of the different functions could be -- would be performed by one interface but wouldn't have to be performed by the same one interface.

THE COURT: Okay. I appreciate that.

MR. LO: Jason Lo on behalf of the defendants, your Honor.

I think your Honor hit the nail on the head when you asked about the phrase "one of said one or

more." There's a specific reason that that phrase is in there. But I think there's something else that goes toward making the first part of your Honor's proposed construction correct, and that's the other part that I've highlighted on Slide 74. The a, b, c are connected by an "and"; and that clearly states that the same communication interface for a, b, and c must be the one that is applicable.

Mr. Pitcock also made the argument that because the communication interfaces here has an antecedent basis, it's a set one or more; and up above in the claim and specifically in about line 39 of column 50 they do describe other communication interfaces that therefore if they are defining multiple communication interfaces, it makes no sense to say in the last part of the claim 31 that only one of those are used. All I'll say to that is what is described in line 39 of column 50 is a broad -- is a broad description of things that communication interfaces can do. Then when you get down to the part in column 51, there are specific tasks relating to a compilation file in subpart A, relating to the updated version of the compilation file in subpart B, and relating to issues relating to episode URLs included in the attribute data contained in the updated version of said compilation files. Sorry. That's a mouthful.

But the point is in a, b, and c on column 51 there are much more specific things that a communication interface described in column 51 and the end of column 50 must do. And that's why just because you have the antecedent basis up above doesn't mean that you have to use every type of that antecedent basis in order to conduct the functionalities that are at issue in column 51, the a, b, and c functionalities.

So, with respect to the first part of your Honor's construction that the claim suggests the same interface must perform a, b, and c, we agree that that is the correct construction of the term.

THE COURT: And do you also agree that if a single interface is performing a, b, and c, that the claim would allow other interfaces to also perform those functions?

MR. LO: I disagree with that.

THE COURT: Okay.

MR. LO: And for this reason.

THE COURT: Tell me.

MR. LO: Your Honor's proposed construction would be correct if the claim said "employing the same communication interface to conduct a, b, and c." So, let me just take it out of the vague language of a "communication interface." I'm going in the next few

weeks to Dallas, Tyler, and New York. If I said I'm bringing the same jacket on all three trips, that leaves open the possibility that I may bring another jacket with me on one or more of those trips but it has to be the same. At least -- there has to be one jacket that goes on all three of those trips. That's not what the claim language here says.

The claim language, as Mr. Pitcock points out, starts with the antecedent basis in column 50 at line 39 defining that there can be multiple communication interfaces; and it defines, as a starting point, that I have a closet with multiple jackets. And then when you get down to the end of column 50 and the beginning of column 51, it says out of the multiple jackets that you have, you're bringing one on those trips. That doesn't leave open the possibility that you bring more than one. It specifically says that you will be only bringing one and using one for those functionalities.

And, so, when you define in the antecedent basis up above the possibility that there are multiple and then you come down later into the claim and you say that there is -- you're going to bring one jacket out of the many jackets on your trip, that means you're not bringing any other jackets; and it doesn't leave open the possibility that another communication interface will

perform a, b, or c.

That, I think, your Honor, is supported not only just by the claim -- reading of the claim language; but if we go to Slide 75, this issue has been squarely addressed by the Federal Circuit on multiple occasions. In *WMS Gaming versus International Game Technology*, the products at issue were slot machines and one of the issues for slot machines is you need to have a good random number generator so that not everybody who goes up wins a jackpot and, you know, at the same time, some small percentage of people I guess will eventually win the jackpot. It's never been me.

And one of the claim limitations was "selecting one of said numbers." So, the claims in the specification first describes the machine is going to generate a small subset of numbers and then you're going to select one of them. And I think what was at issue there was the accused device selected more than one but the claim said "selecting one." And the Federal Circuit agreed with the district court, "The plain meaning of 'selecting one of said numbers' is selecting a single number, not a combination of numbers." So, that's squarely on point on this issue.

The other case -- and it's the case that Mr. Pitcock referenced in his argument -- is *IGT versus*

Bally Gaming. The claim language there said "issuing a command over the network to one of said preselected gaming devices responsive to a predetermined event." And again in this case it's a gaming device, and there were really two questions at issue here.

The first question was: Does the claim language allow you to issue more than one command? And then the second question is: Can the command be issued to more than one gaming device?

Now, the first one is actually, in my mind, pretty easy because the command comes before the "one of said preselected gaming devices." In other words, the "one" modifies "gaming devices," not "command." So, when it comes to the "command" language, Fed Circuit said, "No, the claim does not limit the number of commands that could be issued to discrete gaming devices." You could issue multiple commands.

However, with respect to the gaming device -- and that's the phrase that is modified by the "one of said preselected" -- the Federal Circuit said, "Certainly the use of 'one' in this claim is limiting in that a command will go to one of the preselected devices. The command will cause one device to pay. Hence 'one' modifies devices that will receive a particular command, not the number of commands that might be issued."

So, both *IGT* and *WMS* are clearly on the side that when the patentee says "one" and particularly when the patentee says "one of said multiple ones," "one" has to have meaning. It doesn't leave options open for more than one; it doesn't leave options for different ones. It's got to be a single one and only one that performs a, b, and c.

THE COURT: And that's really what you want is for us to read it as though it says "only one."

MR. LO: That is correct. And so -- and your Honor is correct, and we appreciate your Honor making the observation. The dispute here is both aspects of your Honor's observation. We agree with the first aspect that the same one has to do a, b, and c. We respectfully disagree with the second aspect of it that leaves open the possibility that another communication interface will perform a, b, or c in addition to the one that does all three. I think that's -- those are really the two disputes; and that is what we are seeking a ruling on, on those two issues.

THE COURT: All right. I understand your position.

MR. PITCOCK: Oh, actually I just -- I wanted to briefly address *IGT* and --

Did you have something more to add?

THE COURT: All right. I'll give the defendants a chance to respond after, but go ahead.

MR. PITCOCK: Okay. Yes, your Honor.

So, if you look at our reply brief, we talk about the *IGT* case. And again, they're right. They -- but there was another dispute which is that the question is certainly the use of "one" talks about using, you know, a command or more than one command to one device at a time, but the court specifically held "a single command must be issued to a single gaming device." "The claim, however" -- and I'm reading from the top of page 10 -- "does not limit the number of commands that could be issued to discrete gaming devices." Nothing in this limitation requires issuing only one command to only one machine. *Bally* would have us rewrite the claim to say "issuing only one command to only one of said preselected gaming devices."

So, there they were arguing the same thing here, that use of the word "one" meant that, you know, you had to, you know, all the time just use one interface. And here, unlike *IGT/Bally*, you know, there wasn't a previous part of the claim that specifically said that you had, you know, the possibility of having more than one communication interface. And just as it did here -- they're really misciting this. The court

specifically held that you just didn't -- you didn't have to send it to only one of the preselected gaming devices. You could have other -- you could have other winners in the *IGT/Bally* case and still infringe the claim. Just like you could take other jackets on the plane even if you said, you know, only one jacket on a plane. And here where the claim language specifically calls out different functions and it says (reading) employing one of these communication interfaces to perform this function, that function, and the other function, it doesn't mean that "and" just means you have to have one interface that performs each function. It does not mean that you necessarily have to have the same interface perform all three.

THE COURT: All right. I understand your argument.

MR. ACOSTA: Your Honor, Matt Acosta for defendants again. I'm addressing the last term, and the critical language there is "receiving and responding."

I'm using the document camera.

We've seen that the court has a preference saying that it doesn't want to import the "downloading" language. We have two responses to that.

First of all, the dispute is not trying to import the previously argued downloading issue into this

claim construction language. This is an independent dispute from the "downloading" dispute. Regardless of what the court decides "downloading" actually means in this context, this dispute is absolutely separate.

The second thing I would like to point out is that, respectfully, the court, if they adopted defendants' construction, would not be importing "downloading" at all into the claim because "downloading" is already in the claim language.

THE COURT: So, we don't need to put it in again?

MR. ACOSTA: Well, and that's exactly what the dispute is, because plaintiffs have not clarified to us and there seems to be an indication that they think the phrase "receiving and responding" means something other than responding to the request for a media file by downloading; and they -- and we haven't heard either in the briefing or informally from plaintiffs what that might mean. But pointing to the claim language again, right at the top when it talks about "one or more communication interfaces" which later -- as we've just heard, later down in the claim it says "employing one of said one or more communication interfaces to do" a, b, and c, the c being receiving and responding, going back at the top of the claim when it talks about "one or more

communication interfaces connected to the Internet for receiving requests" and then later it says "and for responding to each given one of said requests by downloading a data file identified by a URL." That's what this claim says a communication interface does.

THE COURT: And does this language that we're addressing here use "said request" like the language you're quoting from?

MR. ACOSTA: Does the language -- excuse me, your Honor. Does the language at the top of the claim use "said request"?

THE COURT: No. The language at the top of the claim does; but that you're comparing it to says "said request," right?

MR. ACOSTA: Correct.

THE COURT: And the language that we're construing in that subparagraph C says "a request."

MR. ACOSTA: It does say "a request," your Honor; but the only request that's outstanding for it to respond to is the request for a media file.

And if you go to the top of the claim language, it says this is what communication interfaces do and then later it specifies particularly what they're doing and the very last c specifies that it's receiving and responding to a request, the request being the

request for the media file.

THE COURT: Well, the fact that in the second limitation of claim 31 it talks about responding by downloading, how does that mean that here in this last limitation the only response would be by downloading?

MR. ACOSTA: Well, there's a few reasons, your Honor. First, because the claim limitation is clear that communication interfaces receive requests and respond by downloading and then also because of the specification which many, many times talks about responding to a request for a media file by downloading.

If we could jump to Slide 82.

Sorry. 83.

Okay. So, this is just one example; and all of these are cited in our -- in defendants' response brief from the specification that talks about downloading in response -- downloading media files in response to requests for media files. This is from the player side, column 7, lines 19 through 22, and also column 24, lines 19 through 21.

And then if you go to the next slide, you have the specification talking about it from the server side, "downloading of actual program segments" and again "an immediate request may be sent to the server to download a needed but locally unavailable segment."

The issue being if it's responding to a request from a media file, what else does this specification or this claim language allow the communication interface to do besides downloading? And the answer is absolutely nothing. There is no indication that it does anything besides download the media file in response to each request for a media file.

THE COURT: All right. Mr. Pitcock?

MR. PITCOCK: I'll try to be very brief. I would just say that, you know, to some degree they're trying to have it both ways with this claim. They want to read parts of the earlier, you know, plural interface limitation into this but then read it out despite the fact that the different functions are claimed in different parts; and there would be no reason to do that if you meant the same one had to do all of these things.

And I would also add that even if the response also results in a download, it doesn't mean that's the only thing that you can do in response; and there's certainly nothing in the claim that indicates that that download has to occur over the same interface as the request.

THE COURT: Is there any other response that you can describe to me other than a download?

MR. PITCOCK: Well, you might -- I mean, I can

contemplate lots of different things theoretically. If you have a request for a URL, you might get all sorts of information in response in addition to the download of the file.

THE COURT: Okay. And you have said that under your construction the resulting download could be through a different interface? Is that --

MR. PITCOCK: Yes.

THE COURT: -- a concern you have?

MR. PITCOCK: And I believe that would be contemplated -- if you have a storage location for media files, you know, anywhere accessible by the Internet, it's at least conceivable that you would be using a different communication interface to download those files, particularly with respect to whatever you're using to receive requests.

THE COURT: Okay. Mr. Acosta, would you address whether your construction would require that the download occur through this same interface and, if so, why that's justified?

MR. ACOSTA: Your Honor, I think this goes back to the last limitation that we were arguing on. If you look again at the claim language -- if you look again at the claim language for claim 31, in column 50, right at the bottom, again it says "employing one of said one

or more communication interfaces to" and then you have a, b, and c, a being receiving a request from a client device and c being thereafter receive and respond to a request from said requesting client device. And, so -- first of all, as the court discussed earlier, the "one" means one has to do a, b, and c; but then even more poignant is that receive and respond to is all contained in one limitation. It's all contained in c.

And then also Mr. Pitcock gave an example saying additional things can be done in response but what he didn't say is that downloading couldn't be done in response and that's the point.

THE COURT: What he is suggesting and what I guess is something that concerns me, he is saying the response could include a download but that that download doesn't have to be through this same interface. Your construction would require that the download be through this same interface. Is that what I'm understanding?

MR. ACOSTA: Yes, your Honor. It says "a communication interface that must receive and respond to a request," and then again earlier in the claim it says "a communication interface to respond to a request by downloading the media file."

And let me clarify my earlier statement that this claim language said "media file," as your Honor

asked, but it says -- or excuse me -- "said request"; but it's referring to a request from a client device, received from a remotely located client device. So, "said request" is pointing back to "remotely located client device."

And once again, if you go down to part C of the very last limitation, it's receiving a request from a remotely located client device and responding to that request by downloading, which is overwhelmingly supported by the claim language, the description of the invention, and then also the figures.

THE COURT: Okay. Thank you.

All right. In addition to the claim construction issues, there's a motion to compel that is pending that I'd like to address at this time. Who on behalf of the plaintiff wants to address that?

MR. PITCOCK: Yes, your Honor. The motion to compel, is that what you're wanting us to address at this point?

THE COURT: Yes.

MR. PITCOCK: So, on October 10th, 2013, the defendants served -- or some of the defendants served their first set of invalidity contentions.

THE COURT: And let me interrupt a little bit.

MR. PITCOCK: Sure.

THE COURT: I have read the record on this and I guess what I want you to address is I -- I've read Judge Cousins' ruling on the motion that was filed in the Northern District of California; and, frankly, my initial impression on reading your motion was similar to one part of his ruling in that it appears to me that until there is a final ruling in the administrative proceeding, that this is premature. Why do we need to get into this now?

MR. PITCOCK: Sure. So, first, in fact discovery is going to end in this case in a month; and the IPR is not going to be over or final for some time.

Two, that only goes to the preclusion issue. If, for example, FOX which filed their complaint in Massachusetts before the IPR was filed would be found to be a real party in interest because of their communications with the EFF, then the IPR would be over. It would be finite right now. And without this discovery we can't determine whether or not FOX may have, you know, voided the IPR by being involved as a real party in interest and filing their litigation in Massachusetts.

THE COURT: That would be an issue that I would think would be appropriate to take up either in the IPR or in the Massachusetts action, but how does that relate to an issue before this court?

MR. PITCOCK: Well, that's really the second

point which is if you just took away the IPR altogether, if you had no IPR pending and the defendants had just communicated with a third party without any privilege regarding their prior art claims, there would be no reason to protect it and it would be directly relevant because they may very well -- it's the same prior art in the IPR that they have in their invalidity contentions. So, I don't know what their communications are because they haven't answered the interrogatory but I don't believe that they're privileged in any way and if they have to do with the credibility of witnesses, any evidence that might support that this prior art wasn't available, any problems with their case, anything like that, then I believe that those communications are relevant. They're not privileged, and there's no reason why we shouldn't have access to them.

THE COURT: If they don't include the mental impressions of their counsel about credibility or the effect of prior art or some other such issue, then of what use are they to you?

MR. PITCOCK: I'm sorry, sir?

THE COURT: What use are those communications to you except for the mental impressions of counsel?

MR. PITCOCK: The facts. I mean, they're -- they have declarations in the IPR by supposed, you know,

declarants who were involved in the prior art, the same prior art in our case. There could easily be facts that were conveyed about each of these declarants that would be useful in our case that would not be protected and would have nothing to do with attorney work product.

THE COURT: If they're communications from counsel, they would definitely be work product, would they not?

MR. PITCOCK: They would be work product to the extent that they contained, you know, mental impressions or legal --

THE COURT: Mental impressions are just a particular type of work product. They're not -- I mean, work product is any document that's prepared in anticipation or furtherance of litigation by the party, the counsel, or a representative.

MR. PITCOCK: My understanding -- and it may be erroneous -- is that there is a distinction drawn between, you know, legal advice, legal -- you know, mental impressions having to do with the legal theory of the case and just factual matter that you put down even in notes, that just because they're created by an attorney doesn't necessarily make them work product.

THE COURT: I don't think that's correct. I think that the work product doctrine does not protect the

information. It protects documents; and the information, if it's otherwise discoverable, can be obtained through other means. The mental impressions of counsel are given special protection, and they're not discoverable without some very strong showing that frankly I don't know if I've ever seen but --

MR. PITCOCK: Well, unless they've been waived, your Honor, by communication with a third party. So, if the EFF isn't under a joint claim privilege and they shared any of that information with the EFF, then they have waived their work product privilege.

THE COURT: They would waive their attorney-client privilege by doing that. I think the work product is not as easily waived as attorney-client. I think that all it takes is some showing that the exchange was the sort of exchange that you would expect parties and lawyers to make in the ordinary pursuit of litigation. You can exchange documents with experts, with insurance adjusters, with vendors, with lots of people who would not be within the scope of the attorney-client privilege but are taken not to waive work product privilege -- we'll call it, even though I don't know that it's technically a privilege -- but work product protection under Rule 26.

But I -- anyway, if --

MR. PITCOCK: If -- I'm sorry, your Honor.

THE COURT: Well, I guess I'm trying to distinguish if what you're after here is a very specific sort of document, I -- maybe what I need to find out is from the plaintiff -- I mean from the defense whether they're -- whether they are withholding any response whatsoever or only withholding certain kinds of documents. Let me hear from them first.

MS. AINSWORTH: Your Honor, Jennifer Ainsworth on behalf of the defendants. And I would point out just procedurally that this motion was brought against Defendants NBC and CBS, I believe, because there was a discussion about FOX.

For the big picture, your Honor, the plaintiff filed this motion to compel seeking discovery -- telling the court that they're seeking discovery on whether the defendants are the real parties in interest with this organization the EFF for purposes of possible estoppel. The problem is that they're moving to compel an answer to an interrogatory, and that interrogatory doesn't even ask that question. Instead, what they're seeking is a narrative description of communications regarding prior art which -- and they admit in their motion that this is work product communication with a party that we believe we share a common legal interest. So, therefore, we

believe that it's privileged communication. So, there's not a request for production involved here; but, instead, they've asked us for a narrative description of counsel's discussions with the EFF. And if the court has a particular question, I'll address that; or I can talk in more general terms.

But there is one other procedural issue that we wanted to update the court on because there was one change in circumstance from the time that we filed our response on Friday, which was that we learned late Friday that the patent trial and appeal board of the PTO had instituted or accepted the IPR. In our response we had informed the court that that request was still pending, but then we learned later it had been accepted. So, on Monday we filed a notice with the court, which is Docket No. 112, that showed that it was accepted.

And we will be preparing or we prepared a motion to stay this proceeding on that basis. We'll be meeting and conferring with the plaintiffs on that later. But just that procedural point, we wanted to update the court on.

THE COURT: All right. Other than the other defendants in this litigation and perhaps the EFF, are there other persons or entities with whom there have been communications that fall within the description in this

interrogatory?

MS. AINSWORTH: Your Honor, there probably have been communications with other third parties -- for instance, potential prior art witnesses -- but those aren't -- those were the subject of the interrogatory but we met and conferred in person back in February on this and several weeks -- six weeks or so later we got this motion which appears to have moved away from those other issues they were asking about and solely focused on the discussion -- or any communications with the EFF with regard to prior art.

THE COURT: Okay.

MS. AINSWORTH: So, I believe that's the scope of the motion.

THE COURT: All right. Thank you. Let me let Mr. Pitcock speak to that. Thank you, Ms. Ainsworth.

MR. PITCOCK: So, your Honor, they've produced all their communications directly with third-party witnesses. So, there's no reason to describe them in response to our interrogatory or move to compel them. As far as we know, they're not trying to withhold any of their direct communications with third-party witnesses on work product. It's only apparently their communications with the EFF which, you know, it's obviously directly relevant since they're seeking now to stay this case, you

know, in light of the IPR grant, you know, and if in fact these communications aren't privileged and they should be responding to the interrogatories to let us show that one of the defendants might have been a real party in interest, it could stop the IPR altogether and certainly render their motion for stay moot.

THE COURT: Well, I am going to deny the motion to compel at this point. I think the only relevance it has at this stage to this case is premature. I will, however, state for the record that I would direct NBC and CBS to preserve the documents that are identified in the interrogatory. In the event that the IPR results in an outcome that puts the collateral estoppel effect at issue, you can re-urge your motion and we'll take it up at that time.

So, what I want to do is avoid the possibility that the discovery is allowed at a later date and the defendants represent that the documents have not been maintained in between.

MS. AINSWORTH: We will certainly do that, your Honor.

THE COURT: All right. Well, that disposes of that motion; and we will issue a claim construction ruling as soon as possible. I appreciate your attendance. Thank you.

Ms. Ainsworth, is there anything else?

MS. AINSWORTH: I'm sorry, your Honor. Everybody already stood up.

There was one minor housekeeping matter that I'd like to bring to the court's attention to just flag an issue for your Honor.

THE COURT: Go ahead.

MS. AINSWORTH: And this is several months out. But we received an order or a notice from the court the other day which moved the jury selection date to the second week of September, I believe September 8th; and because of that we just wanted to mention to the court that when the court is looking at the trial date for this case, there are dates later in September during which NBC and CBS and FOX's lead counsel and other counsel have religious holidays and would not be able to participate in trial. Those would begin around September 24th. And we know this is a long time off, but we didn't want to surprise the court with that at the last minute. So, we just wanted to alert you to that at this point.

THE COURT: And I appreciate that. Certainly that's something that could affect where we put this case in the order of cases on that September 8 docket. I'll note at that time that you have brought it to our attention now.

MS. AINSWORTH: Thank you, your Honor.

THE COURT: Thank you.

All right. Thank you, and we're adjourned.

(Proceedings adjourned, 12:02 p.m.)

COURT REPORTER'S CERTIFICATION

I HEREBY CERTIFY THAT ON THIS DATE, MAY 8, 2014, THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE RECORD OF PROCEEDINGS.

/s/
TONYA JACKSON, RPR-CRR

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